

What Price Crude Imports?

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THE Petroleum Ministry claims to have made the necessary arrangements for importing the 20 million and odd tonnes of crude oil as a small quantity of processed petroleum products we would need during the course of the current year. What price are we going to pay for the crude imports we have contracted for?

The question assumes great importance because for quite some months now the indications have been of a glut or over-supply of crude in spite of the attempt at slowing down their output by a number of oil producing countries. In these past two years, OPEC's output has declined by a third from close to 80 million barrels to 20 million barrels a day. In fact, OPEC has borne the brunt because non-OPEC oil producers have more or less maintained their level of output at 18 million barrels a day. This, incidentally, indicates how the monopolistic hold of OPEC on oil supplies is gradually weakening. Whether in the long-run it will become still weaker is an issue on which, however, there can be more than one opinion. Even the Saudi oil deposits, it is suspected, are unlikely to last more than 30 years at the current rate of exploitation.

Still the price of oil seems to be on the downward slope. That only means that even at the current reduced level of output the aggregate demand for oil is not large enough to clear the market at the price now obtaining. Evidently, there are some countries who have been able to hold down their consumption of oil. Or could it be that some of the excess reserves built over the past are being dislodged so as to keep current demand low? There is not much evidence of the latter taking place currently. All that could be said is that there is no great run for reserve-building either. And the price currently is at least \$ 4 a barrel below the price which the last OPEC ministerial meeting had set for the marker crude, i.e., the crude which Saudi Arabia exports.

It obviously makes an enormous difference whether we shall be obliged to pay \$ 30 or \$ 31 a barrel for the crude that we import. At \$ 30 a barrel the country makes a saving of close to \$ 600 million over the year, out of \$ 5,000 million that might have originally been budgeted for to cover

the cost of importing 20 million tonnes of crude. It is therefore extremely important to know what sort of price arrangements we have entered into for the import of crude. And if some binding price arrangements have been entered into, shouldn't we make an early attempt at re-negotiating the prices. After all, in the past when prices were revised upwards, supply arrangements had to be altogether renegotiated because no supplying country would honour commitments at old prices. It cannot be allowed to work as a 'heads you win and tails I lose' game. Then we shall be the perpetual losers.

In any case, isn't it time for us to plan our oil imports on a longer term basis, notwithstanding our heroic programmes for the achievement of self-sufficiency? Because, if we planned our imports on a long-term basis, we would also have to provide for reserve stocks larger than today so as to cover our-

selves better against volatile fluctuations in oil prices. And the recent experience clearly demonstrates that the changes in oil prices can be both downwards as well as upwards.

A time of falling world prices is the most appropriate one to build up reserves of commodities one imports. In the case of oil, this would have to be through direct country-to-country purchases or by resort to the spot market or through a combination of the two methods. Possibly, however, greater reliance for this purpose will have to be placed on the spot market because regular country-to-country sources of purchase may be less amenable to such operations.

Regardless of what steps we take for the long-run, the point remains that even in making year-to-year arrangements for import of crude we can no longer take the price as unalterably fixed and that since the price of oil can swing downwards, in whatever contractual obligations we enter into it has to be ensured that there is provision for re-negotiation of prices.

EDUCATION

The Future of Planners

Krishna Kumar

ONE serious disadvantage with which futurologists have to function is that they must describe the future in the terms that belong to the present. Inasmuch as terms of reference affect the sharpness of analysis, social researchers who attempt to delineate the future should be expected to show some anxiety over the future relevance of the available to them. This would be especially true if the period they are considering consists not of five or seven years but two decades. The period for which predictions were made at a workshop held in New Delhi from January 12 to 25 under the joint auspices of the National Institute of Educational Planning and Administration and the UNESCO Regional Office covered the rest of this century. Not only is this period long enough to warrant changes in the terminological equipment of the educational researcher, it is also a period during which major shifts in the conditions both outside and within the education system can be expected to occur in countries of the Third World.

Considering how serious the inconsistencies in the prevailing system of education are, including the errors of admission data identified by John Kurien in the case of India (*EPW*, October 3, 1981), one would expect that planners who participated in the workshop to speculate on how the system would respond to the stresses to which it is subjected. Perhaps this kind of speculation does not come within the purview of futurology as practised by educational planners in developing countries. Tasks that conventionally come in its purview are the portrayal of future scenarios with the help of estimated data, and the construction of models to accommodate the projected tendencies. Very few of the papers presented at the workshop departed from these conventional assignments, and fewer still revealed a concern for critically examining the manner in which educational planners are fulfilling these assignments.

The papers presented at the workshop indicate that most of the present-day failures of the Indian education

system will remain in the year 2000. Universalisation of primary education will remain an unattained goal, and so will the goal of universal adult literacy. No significant changes will occur in drop-out and stagnation rates. The gap between manpower needs and the number of educated youth will remain, and in some areas it will widen. In financing, the allocation for high education will continue to increase at the cost of resources provided for elementary education. In the matter of quality of instruction, none of the future scenarios presented at the workshop showed that an ameliorative trend was in the process of appearing. Indeed, the primacy of quantitative data appears to have left little room for discussion of qualitative questions, except by way of recommendations, such as the one for acknowledging the role of science, or by way of revealing the information that the Central government is about to start model institutes for value-oriented education.

Solutions presented at the workshop for the chronic problems of Indian education are the same that planners have been putting forward for over two decades now. For instance, educational planners have been emphasising the need for a better match between manpower projections and enrolments in institutions of higher education. For lowering drop-out rates, they have been suggesting multiple entry, shorter schedule of daily instruction, and flexible annual routine. To reduce the pressure on the school system, they have been recommending non-formal channels and methods of instruction. One could go on adding items of planners' choice for restoring health to the educational system. One would expect that at a workshop such as the one held in New Delhi, participants would ask why the remedies that they or their counterparts have been suggesting all these years were not implemented. As people whose job it is to introduce rationality in slate policy, they might begin to examine their own past experiences in an objective and critical manner in order to see why the system failed to benefit from the remedies offered to it, and in order to construct a historically valid basis for future action. As they set themselves at the task of guiding the future, they cannot reasonably be expected to forget the past. Yet, this is what one finds in the workshop papers. Not one participant appears to have been bothered to examine why

the remedies suggested time and again in the past failed, and what can be learnt from these failures for offering remedies to be used in future.

In the absence of any awareness of history and the need to learn from it, most workshop participants repeated old solutions, pointing out that the implementation of these solutions has now become an absolutely crucial necessity since the problems have grown bigger and more complex. The favourite problem at the workshop, as it is in most such gatherings, is that of the growth of population. According to S C Seth, writers of the Constitution "did not realise" that there were 50 million children in the 6-14 age-group when they included the provision of free and compulsory primary education among the Directive Principles of state policy. Another participant, R Ramalinga Iyer, argued that 'development' had made planning more difficult. "Previously", he says, 'it was possible to describe an education system and the broad relationships between education and certain societal characteristics with some degree of precision. As development has proceeded, however, these characteristics and their attendant relationships have become less easy to identify.' It is ironical that the hardships faced by educational planners today should be attributed to 'development', since educational planning owes much of its prestige and resources, both at national and international levels, to the so-called 'development decade' of the sixties when education was perceived in many Third World countries as a key to their development. If indeed development has made the relationships between education and characteristics of the larger social system, less easy to identify, then perhaps educational planners might well ask themselves what role they have played in making these relationships more apparent than they allegedly are.

Looking at the proceedings of this workshop, one is drawn to guess at the future of educational planning itself, and concurrently at the role and professional status that educational planners might expect to enjoy in future. In this context, it may be useful to consider the historical process through which developed countries have passed. Professionalisation of teachers, especially school teachers, in the post-War years in several Western countries has systematically diminished the planner's role, and the aura

surrounding it. With the growth of liaison networks between school and community, the focus of decision-making has shifted from ministry officials to the classroom teacher, the school principal, and representatives of the community. Planning cells in departments of education see their role mainly in furnishing statistics and providing co-ordination facilities. In underdeveloped countries, the personnel appointed by ministries and departments of education are expected to guide the system. Already, their repeated failures have placed educational planning in a professionally weak position. It may be expected that the future course that the education system and the larger social system in many Third World countries may take will significantly redefine the function and place of the planner in the hierarchy of pedagogical roles.

Swiss Jewels (India)

SWISS JEWELS (INDIA) is setting up a Rs 3.89-crore project near Srinagar airport for manufacture of 60 million synthetic jewels and 4 lakhs sapphire dial glasses in technical collaboration with Swiss Jewel of Switzerland, a leader in the field. Jewels are used in precision measuring instruments, electronics, textile, aeronautics, computers, photographic and watches. The company has entered into an agreement with Torriani of Switzerland for sale of its entire production in the international market. Torriani is also subscribing to 30 per cent of the company's equity capital. The raw materials for making synthetic jewels are ruby, sapphire and special diamond powder, which will be imported from abroad. The company is making a public issue of 7.20 lakh equity shares of Rs 10 each on April 1 to raise a part of the finance required for the project. According to Surinder Wazir, a director, commercial production should commence in July 1982 and the company should be able to achieve 100 per cent capacity utilisation by October 1982. The break-even point is estimated at 58 per cent of capacity utilisation. Turnover for the first year of production ending June 1983 is expected to be around Rs 4 crore. The public issue is jointly managed by H L Financial Consultants and Management Services and MJP Finance and Consultancy.